



OFFICE OF AUDITS & ADVISORY SERVICES CHARTER

MISSION AND SCOPE OF WORK

The mission of the Auditor and Controller's Office of Audits & Advisory Services (OAAS) is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the OAAS is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed, including the Grand Jury, federal and state auditors, and others.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives of the organization are achieved.
- Quality and continuous improvement are fostered in the County's General Management System (GMS) and control process.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed properly.
- Coordinating the tracking of all federal, state and other regulatory audits and recommendations.

Opportunities for improving management control, profitability, and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

ACCOUNTABILITY

The Chief of Audits (COA), in the discharge of his/her duties, shall be accountable to management and the audit committee to:

- Provide annually an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.

- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Provide information periodically on the status and results of the annual audit plan.
- Coordinate with and provide oversight for other control and monitoring functions (e.g., risk management, compliance, security, legal, ethics, environmental, government audits).

INDEPENDENCE

To provide for the independence of the OAAS, its personnel report to the COA, who reports administratively to the Auditor and Controller and functionally to the Auditor and Controller, the Chief Financial Officer, the Chief Administrative Officer and the Audit Committee in a manner outlined in the above section on accountability. It will include as part of its reports to the audit committee a regular report on internal audit personnel.

RESPONSIBILITY

The Auditor and Controller, the COA and staff of the OAAS have responsibility to:

- Develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the audit committee for review and approval.
- Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management and the audit committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter.
- Establish a quality assurance program by which the COA assures the operation of internal auditing activities.
- Perform consulting services, beyond OAAS's assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.
- Evaluate and assess new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the Board of Supervisors or its audit committee and management summarizing results of audit activities.
- Keep the audit committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant performance goals and results to the audit committee.
- Assist in the review of significant suspected fraudulent activities within the organization and notify management and the audit committee of the results.
- Conduct all audits and activities mandated by California Code, the County Charter, regulatory ordinances, administrative code, and Board policies.
- Consider the scope of work of the external auditors, internal reviewers and compliance officers and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

AUTHORITY

The Auditor and Controller, including OAAS staff, are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Have full and free access to the audit committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.

The COA and OAAS staff are not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Initiate or approve accounting transactions external to the internal auditing department.
- Direct the activities of any organization employee not employed by the OAAS, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

STANDARDS OF AUDIT PRACTICE

The internal auditing department will meet or exceed the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (as required by California Code Section 1236).

Chief of Audits

Chief Financial Officer

Auditor and Controller

Audit Committee Chair

Dated _____